Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

http://www.dmas.state.va.us

MEDICAID MEMO

TO: All providers of Pharmacy services participating in the Virginia Medical Assistance Program and FAMIS Program.

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services

MEMO Special
DATE 8/15/2003

SUBJECT: Implementation of the New Virginia Medicaid Management Information System (MMIS)

With the concurrent implementation of our new Virginia Medicaid Management Information System (MMIS) and the NCPDP 5.1 standard in June, we have been monitoring the MMIS' performance to ensure it processes claims correctly and expediently. We have also been looking for opportunities to enhance our service to you. Here is a summary of our efforts so far.

Copayments

When the new MMIS was implemented, some Point-of-Service (POS) responses incorrectly indicated that the recipient had no copayment responsibility even though the MMIS deducted a copayment in calculating the claim payment. This occurred under two conditions. The first was with respect to all paid claims during the first 3.5 hours (8 AM–11:30 AM) of the new system's operation on Friday, June 20. The second was with respect to denials of re-submissions of previously paid claims during the first four days of operation (June 20–June 23).

We have decided to reimburse pharmacies for the copayment amounts that should have been returned in the POS response but were not. We are preparing lists of all claims affected by these conditions. In the next few weeks, we will send each affected provider a list with instructions for making a claim for reimbursement. Upon receipt of that claim, DMAS will initiate a special payment to cover the lost copayment amounts.

Recipients are responsible for paying their copayment obligation at the time of service. The copayment amount is reflected in the claim response. We are aware that MediCall, our automated voice-response system, has been giving incorrect copayment information for

recipients in home and community-based waiver programs. Our fiscal agent, First Health Services Corporation (FHSC), is working on a correction. We are committed to monitoring all claims processing for correctness. If you have any questions, please consult your Pharmacy Provider Manual for details on the copayment policies or contact the provider "HELPLINE."

Brand vs. Generic

We have received questions about how we determine whether a drug is a brand or generic drug. A drug is considered a brand drug when the HCFA Drug Category and the Generic Pricing Indicator, both of which are provided by First Data Bank, indicate that the drug is a brand drug; otherwise, the drug is considered a generic drug. Effective July 1, 2003, the copayment for brand drugs is $3.00 and the copayment for generic drugs is $1.00.

ProDUR Messaging

With FHSC, DMAS has worked to improve the prospective drug utilization (ProDUR) messaging under the NCPDP 5.1 standard. The ProDUR response message will now include the name and strength of the medication that triggers the early-refill or therapeutic-duplication edit. This information will help you to make sound clinical judgments on claims that require intervention and outcome codes for payment.

Provider Helpline

With the new-MMIS implementation, we are experiencing unusually heavy call volume on our provider "HELPLINE." We are making every possible effort to improve "HELPLINE" responsiveness. In addition to the "HELPLINE," there are now two automated options for obtaining eligibility, claims-status, check-status, and prescriber-identification information. MediCall provides all this information toll-free at 800-772-9996 and 800-884-9730. You can also enroll to access a web-based Internet interface at FHSC's website at http://virginia.fhsc.com.

Clozaril Monitoring Fees

Under the NCPDP 5.1 standard, DMAS can no longer accept the dummy NDCs (99999999275 and 99999999276) for monitoring Clozaril. We are investigating the best way to accept these claims and expect soon to provide you instructions for submitting claims for this service.

Remittance Advices and 835 Transactions

A feature of the new MMIS is to have the paper remittance advice (RA) contain information parallel to that in the HIPAA-compliant electronic RA. In response to some feedback that the redesigned RA is cumbersome, we are scheduling sessions with pharmacy providers to learn details of the pharmacy community's concerns. We will evaluate these comments to ascertain whether we might improve the RA.

As an alternative to paper, electronic RAs in the X12 835 version 4010A1 format are available to approved providers. As an early adopter of this federally mandated HIPAA-compliant transaction, we offer this option well before the required October 16, 2003 date. With no mailing or handling time, an electronic RA is available faster than the paper format. The standardized electronic RA contains information needed for easier account reconciliation. And, because this is an industry-standard transaction, many pharmacy software packages and Value Added Networks (VANs) are incorporating features using these data. This is an excellent alternative to a paper RA. To start receiving electronic RAs, contact the FHSC EDI coordinator at http://virginia.fhsc.com, by phone at 888-829-5373 (select option 2 from the voice-response menu), or by fax at 804- 273-6797.

Other Improvements

Since the new-MMIS implementation, DMAS has already made the following corrections and improvements:

- Response Time: in concert with the POS switches, we identified solutions that lessened an early high frequency of time-outs. We have made several system changes to improve the response time.

- Therapeutic Duplicates: originally, the new MMIS returned conflicting-claim information without a drug name. While this conformed to the NCPDP 5.1 standard, we later made an enhancement to include the drug name and strength to help you identify the conflicting prescription. We also made a system change to bypass a therapeutic duplicate if more than 75% of the conflicting prescription has been used.

- Name Mismatches: at first, the new MMIS rejected a claim unless the enrollee name on the claim matched the name on our file. Because this caused an unanticipated number of rejects, we now give a warning message instead.

Implementation of the new MMIS was an extremely complex process, further complicated by making the system HIPAA-compliant. One challenge in any such endeavor is to distinguish between concerns resulting from unfamiliarity with the new system and system problems. We are attempting to resolve problems as quickly as possible. We appreciate your patience and cooperation as we attempt to address your concerns.

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option to access information regarding Medicaid eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification information. The website address to use to enroll for access to this system is http://virginia.fhsc.com.

COPIES OF MANUALS

DMAS publishes searchable and printable copies of its provider manuals and Medicaid memoranda on the Internet. Please visit the DMAS website at www.dmas.state.va.us. Refer to the Provider Column to find Medicaid and SLH provider manuals or click on "Medicaid Memos to Providers" to see Medicaid memoranda. The Internet is the fastest way to receive provider information.

"HELPLINE"

The "HELPLINE" is available Monday through Friday from 8:30 a.m. to 4:30 p.m., except State holidays, to answer questions. The "HELPLINE" numbers are:

786-6273	Richmond area
1-800-552-8627	All other areas

Please remember that the "HELPLINE" is for provider use only.